

Policy Committee Meeting Minutes 8-24-99

Called to Order by Richard Walker at 1:30 p.m.

In attendance:

NAME	REPRESENTING	NAME	REPRESENTING
Doug Evans	MAG	Lisa Nielsen	UBAG
Lou Ann Christensen	BRAG	Tracy Womack	UBAG
Paul Clark	SEUALG	Art Peterson	CDBG - Acctg.
Chesley Christensen	SCAOG	Glenna Matekel	CDBG
Constance Robinson	FCAOG	Keith Heaton	CDBG
Lane Nielson	WFRC	Sheila Peterson	CDBG
Steve Browne	MAG	Richard Walker	CDBG
Debbie Hatt	SEUALG	Pauline Zvonkovic	HUD
Shirleen Lowry	SCAOG	Jeff	Kier Construction
Elaine Murphy	FCAOG	Carol	Community Housing Services
Laurie Brummond	UBAG	Amoir Deuel	Senior Housing
Jay Aguilar	BRAG	Mike Johnson & Tambi Calvert	DCED - Housing

Meeting was called to order by Richard Walker at 1:35. In the absence of Demar Mitchell, Chairman, and Ted Kappen, Vice-Chair, Richard asked the policy committee members to appoint an acting chair.

Mayor Robinson (attending on behalf of Mayor Pryor) made a motion to appoint Mayor Christensen to act as chair for the meeting.

Mayor Evans seconded the motion. Motion carried.

Division's Restructuring:

Policy Committee members were given department organization charts and recent changes made were explained. Richard Walker noted that on a day to day basis Sheila Peterson would oversee CDBG operations.

Updates on Earlier Issues or Board Action:

Legislative Program reduction - A DRAFT letter for Chairman Mitchell's signature (on behalf of the policy committee), to Utah's congressional delegation regarding potential budget cuts, was distributed for review. This letter was authorized at the June policy retreat.

Councilwoman Christensen made a motion to approve the letter drafted for Chairman Mitchell's signature.

Mayor Robinson seconded the motion. Motion carried.

COSCDA update - Richard Walker referred to the packet of correspondence sent to policy committee members and AOG staff regarding HUD's recent proposal, to initiate optional entitlement communities. The proposal changes the definition of what constitutes an entitlement city/county. Under this proposal a city of 25,000 and a county of 100,000 would receive entitlement status. This proposal would reduce the state's allocation by approximately one-half. The cities that this would effect in Utah are Roy, Bountiful, Logan and St. George plus Davis and Utah Counties. All of the appropriation for these new entitlements would be allocated from the nationwide appropriation state's (30%) rather than the 70% of block funds appropriated to present entitlements. Richard suggested that the policy committee authorize him to prepare an additional letter to Secretary Cuomo identifying the concerns this proposal raises.

Mayor Clark made a motion to authorize Richard Walker to prepare a letter addressed to Secretary Cuomo, with copies to Utah's congressional delegation, stating the policy committee's opposition to revising the entitlement community population guidelines.

Councilwoman Christensen seconded the motion. Motion carried.

Steve Browne suggested that in the letter to Secretary Cuomo, he should be reminded to get comments and public input from low and moderate people regarding this proposal.

IDIS - (Integrated Disbursement and Information System - method which HUD will use to report accomplishments and disburse money.) HUD reports by the end of August, 1999, the system will be accessible through the internet. The state of Utah will go on the system as soon as it is verified that HUD is Y2K compliant (January 2, 2000). HUD is also implementing the Department Grant Management System (DGMS), which is more universal and is supposed to be functional early to mid-summer 2000.

Memorandum of Understanding (MOU) - Julie Fagan, Senior Community Builder/State Coordinator, U.S. Dept. of Housing & Urban Development, and Kerry Bate, Director, Utah Division of Community Development were present to sign the MOU between the two entities which establishes the relationship as partners in order to enhance the coordination of services performed.

State Hearings for the Consolidated Plan - Richard Walker noted the AOG representatives and state staff would be attending a training sponsored by the HUD Rocky Mountain Region. DRAFT plans from each AOG are due in the state office by December 15, 1999. Public Hearings will take place in January, 2000, with final regional plans due by January 31, 2000. The State Consolidated Plan is due to HUD by February 15, 2000.

Logan Convention Center status - Tom Jensen, representing the principals of the Logan Convention Center, was present and reiterated their desire to receive an interim loan from the CDBG program. In February 1999 the board had conditionally approved a \$4 million 1½% loan based on the ability of the entity creating the Center to provide a letter of credit, a business plan, five-year proforma including profit and loss statements and balance sheets, and a financial evaluation and statement. Mr. Jensen indicated that

this information was still being gathered and would be provided to the State in December 1999. The board accepted this information and took no additional action on this project.

Review Minutes:

Motions - Sheila Peterson explained the ongoing problem with motions made being vague and left for the staff to summarize. Sometimes, it is clear what the direction of the motion is, but occasionally there are motions made that aren't clear. She requested that board members state their motions clearly, to try to eliminate confusion rather than leaving them up to staff to interpret.

Discuss HB 295 motion - At the 6/17/99 policy retreat there was extensive discussion regarding the legislature's desire that cities, towns, and counties prepare moderate income housing plans. The motion made by Mayor Evans, seconded by Mayor Clark and summarized by staff for the minutes, read as follows:

"To further the objectives of HB 295, applications received from communities/counties, which have plans completed and adopted, to further the development of affordable housing, will be given additional points."

Mayor Clark questioned the wording, as this wasn't his recollection of the intent of the motion. The intent as he recalled was to give additional points to a project which furthered the implementation of an adopted affordable housing plan. The board members agreed that this is what they were trying to accomplish.

Councilwoman Christensen made a motion to rescind the previous motion of 6/17/99 and approve the following revised motion:

"To further the objectives of the Moderate Income Housing Plan law (with respect to cities & towns in the state code 10-9-307 and counties 17-27-307), applicants that apply for CDBG funds to be used to implement the goals or objectives of their adopted affordable housing plan, will receive bonus 'points' in the rating criteria."

Mayor Evans seconded the motion. Motion carried.

Review Full Funding motion - At the 6/17/99 policy

retreat there was discussion regarding projects requiring funds in addition to the CDBG allocation. As a result of that discussion, Councilwoman Christensen made the motion, seconded by Mayor Christensen to eliminate Criteria #2 to "Fund it partially and require the applicant to secure all additional funds necessary to complete the project BEFORE MAKING A GRANT AWARD COMMITMENT."

This did not appear to be a workable solution to the full funding issue; therefore,

Councilwoman Christensen made a motion to rescind the above motion to eliminate this criteria, and reinstate the criteria as follows: "Fund it partially and require the applicant to secure all additional funds necessary to complete the project BEFORE MAKING A GRANT AWARD COMMITMENT on or before the date of submission of the final application to the state."

Mayor Robinson seconded the motion. Motion carried.

Approve Revised Minutes - June

Mayor Evans made a motion to approve the 6/17/99 minutes with the changes made to the HB 295 and Full Funding motions.

Mayor Robinson seconded the motion. Motion carried.

Multi-year Funding Approval

Utah County (Fairfield) - Steve Browne explained the situation with a 95-96 Utah County grant to design and construct a 100,000 gallon culinary water storage tank west of Fairfield which will serve the distribution system. Additional funds are needed to pay hook-up costs for approximately 20 users. Mountainland regional review committee members were contacted and they agreed to change the status of the project to multi-year and authorize an additional \$46,000 (current year 99-2000), coming from a project originally approved but who will now be turning the money back. Original contract for the Utah County Fairfield project was \$70,683.00, bringing the total amount of funds to \$116,683.00.

Centerville - 1993-94 - Blaine Jorgensen from Centerville City was present to explain the Barnard Creek Debris Basin project. Due to a number of delays the project has been underway for several years. The project is now out for bid. For two reasons it is necessary for this project to be completed at this time - one, being the FEMA Project Impact grant is only

available until September of 2000 and two, the project must be done in the fall because of stream flow and because roller compacted concrete will be used, which requires a certain temperature range. It is anticipated that an additional \$250,000.00 will be needed to complete the project. The need to amend the original contract to a multi-year project was explained to the Davis County Council of Governments. The COG will address the request as an agenda item at their September 15th meeting. Richard Walker explained that this would be treated as an interim loan guaranteed by next year's allocation.

Art Peterson, CDBG Accountant, noted that he had been doing some research and had found a significant amount of money remaining unused in several Wasatch Front contracts. Wasatch Front Region will need to reallocate approximately \$150,000.00. He suggested that this funding be used, in lieu of emergency monies thereby closing out old year funding. Richard noted that this would require the Wasatch Front to give all of that re-allocation to this project. Steve Browne noted that Mountainland still has \$80,000.00 remaining unallocated from 99-2000 of which \$50,000.00 could be loaned to the project until next year's Wasatch Front (Davis County) allocation is received, if the Mountainland RRC would approve it's use for this purpose.

Councilwoman Christensen made the motion to approve the procedure allowing money to be spent now that is not going to be allocated until next year by Mountainland, if approved by their RRC.

Mayor Evans seconded the motion. Motion carried.

Emergency Requests

Mt. Pleasant on behalf of Community Housing Services, Inc. requested \$55,000.00 from emergency funds to complete their Mt. Pleasant Senior apartments (24 units) project by installing an elevator. Amoir Deuel, speaking on behalf of Mt. Pleasant City, noted that an elevator is urgently needed to provide accessibility to those residents who are disabled and to assure financial viability of the project. The lower level apartments have all been rented and without an elevator it is difficult to rent the upper level apartments. Shirleen Lowry verified that Sanpete County had agreed to repay the emergency request from its 2000-01 allocation.

Roosevelt City requested \$20,000 from emergency funds for a sewer extension. The emergency request is necessary because the Health Dept. issued an order to

cease discharging raw sewage into an open drainage ditch. Roosevelt City conducted a survey to determine the percentage of low and moderate income individuals in the area and it was determined that all of the residents are LMI. In addition, there is high ground water associated and the septic tanks are not as functional as they should be. Roosevelt City will match the \$20,000.00 requested with \$16,134.00.

Sheila explained that there is not enough money remaining in the emergency fund to fund both requests. There are a couple of scenarios to be considered. \$50,000.00 was set-aside in the emergency fund (at the June retreat) as fall-back money in the event that the UBAG Revolving Loan to the potash project is not repaid. According to Laurie Brummond, UBAG staff representative, she did not feel the UBAG regional review committee would object to the policy committee not securing that revolving loan to the Uintah Basin Railroad/Potash Project, thereby relieving the commitment and returning that \$50,000.00 to the emergency fund. Another alternative to consider in relation to Mt. Pleasant is for Mt. Pleasant/Community Housing Services to submit an application to the Olene Walker Housing Trust Fund Board on September 23rd to grant partial funding of their emergency request. In addition, the remaining Mountainland unallocated funds could be considered to help fund these projects.

Richard Walker noted that with respect to the Roosevelt City request there will be connection fees assessed to each one of the low income families that the system affects. In reality, the emergency request should be for \$24,000.00 because of the specific verification that the four connections are to LMI households. Laurie suggested that she might be able to use some of Duchesne County's minor home repair funds for the connection fees.

Based on the discussion **Mayor Evans made the motion to fund the emergency requests - Mt. Pleasant in the amount of \$55,643.00 and Roosevelt in the amount of \$24,000.00 allowing use of available emergency funds; unallocated 99-2000 Mountainland funds, upon their approval; Duchesne County Minor Home Repair funds; and Olene Walker Housing Trust Funds, if granted, to be split up as necessary to fund both requests.**

Mayor Clark seconded the motion. Motion carried.

2000-2001 Program:

Annual Report document - Keith Heaton distributed

the information that was prepared for the department annual report with respect to the CDBG program. He explained that the material is available on the department web-site. The information outlines the types of projects CDBG has funded and in what amounts.

Calendar 2000-2001 year schedule - Sheila Peterson distributed and reviewed a flow chart outlining the schedule of activities for the upcoming year.

AOG's How to Apply Workshops - Sheila Peterson distributed a calendar for September, 1999, which identifies when and what time the How to Apply Workshops are being held in each region.

Revisions in new Application Guide - Sheila Peterson distributed and reviewed the changes that had been made in the 2000-2001 Application Guide.

Councilwoman Christensen made the motion to approve the 2000-2001 Application Guide with changes as noted.

Mayor Evans seconded the motion. Motion carried.

Other:

Sheila Peterson asked board members if they thought it would be beneficial to them, if in each board meeting staff provide information on topics relating to the act, so that there is a better understanding of the program. Board members were in favor of this suggestion.

Next Meeting Date:

The next policy committee meeting was set for Tuesday, February 15, 2000, at 1:30 p.m.

The meeting was adjourned at 4:50 p.m.